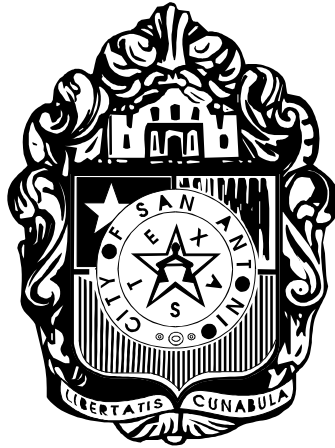


CITY OF SAN ANTONIO, TEXAS
Neighborhood Action Department



Inner City
Tax Increment Reinvestment Zone Eleven
FY 2005 Annual Report

Participation Levels of City (100%)

December 31, 2005

Inner City Redevelopment Project Tax Increment Reinvestment Zone No. 11 Final Plan of Finance

Introduction

The Inner City Tax Increment Reinvestment Zone is located in the eastside of the City and encompasses approximately 2.5 square miles (1570 acres). The approximate boundaries of Tax Increment Reinvestment Zone Number Eleven ("TIRZ 11") lie approximately one block north of IH-35 on the north between Broadway on the west and Coliseum Rd. on the east, then south on Coliseum Rd. to Commerce St., then west along Commerce St. to New Braunfels St., then south to Iowa St., then east to Hoefgen Ave., then south to Westfall Ave., then west on Westfall Ave. into Star Blvd. to Probrandt St., then north on Probrandt to Alamo St., then northeast on Alamo St. to St. Mary's St., then north on St. Mary's into Navarro St., and continuing north on Navarro St. to Commerce St., then east to Bowie St., and going north on Bowie St. to Alamo St., and continuing northeast on Alamo St. to Jones Ave., then west on Jones Ave. to Broadway, and then north on Broadway to IH-35. The purpose of the TIRZ 11 is to fund public improvements and encourage economic development. The life of TIRZ 11 is projected to be 14.79 years with a termination date of September 30, 2015 (Fiscal Year).

Public Infrastructure

The public infrastructure improvements and related capital costs include streets, drainage, utilities, sidewalks, and park improvements and other costs approved by the TIRZ Board and City Council. The TIRZ 11 will provide a source of funding for public improvements. Annual construction of public improvements will be made in the amount of the TIRZ 11 revenues received through September 30, 2015. The estimated TIRZ 11 revenue to be received through September 30, 2015 is \$13,903,581. The TIRZ 11 revenues in excess of the estimated \$13,903,581 received through September 30, 2015 may be allocated to other projects as directed by the TIRZ 11 Board of Directors.

Plan of Finance

The year 2000 base value of the TIRZ 11 is \$303,650,690. Projected captured values that would be taxed to produce revenues to pay for the capital costs of the public infrastructure improvements. Captured taxable incremental values will commence in tax year 2001 with collections commencing in fiscal year 2002. Captured values grow from \$13,647,397 in tax year 2001 to \$359,498,314 in tax year 2014.

The City of San Antonio is the sole taxing jurisdiction utilized in the analysis. The City's participation level is 100% and the City's current tax rate per \$100 valuation is \$0.578540. This produces annual revenues of \$293,125 in fiscal year 2005 to \$2,027,846 in fiscal year 2015. Assessed values are increased at a 1.50% per year with no projected increases in the tax rate.

The cost of the public infrastructure improvements and other approved costs will be paid annually from revenues produced by the TIRZ 11. In addition to the capital costs, other costs to be paid

from the TIRZ 11 revenues include City annual administrative fees. Revenues derived from the TIRZ 11 will be used to pay costs in the following order of priority of payment: (i) administrative fees pertaining to the City; and (ii) second, to fund public improvements, on an annual basis, as TIRZ 11 revenues are available for such payments.

The projected amount of TIRZ 11 revenues to fund capital costs through September 30, 2015 is \$13,903,581. TIRZ 11 revenues in excess of the estimated \$13,903,581 received through September 30, 2015, may be allocated to other projects as directed by the TIRZ 11 Board of Directors and approved by the City Council. It is projected that funds for capital improvements will not be available until fiscal year 2002.

Limited Obligation of the City or Participating Governmental Entities

The City shall have a limited obligation to impose, collect taxes, and deposit such tax receipts into a TIRZ 11. The TIRZ 11 collections shall not extend beyond September 30, 2015, and may be terminated prior to September 30, 2015. The public improvement infrastructure costs incurred shall be payable from the TIRZ 11 revenues or other sources of funding that may become available.

Reporting

The City shall submit a project status report and financial report at least annually to the City Council. The City shall also submit a project status report, financial report, or any other report as requested by the City Council within thirty (30) days of such request.

Inspection

The City shall have the right to inspect a project site or sites without notice and request information from developers.

Inner City Tax Increment Financing Zone

Sources and Uses of Funds

Sources of Funds	
Projected TIF Revenues	\$ 13,903,581
Total Sources of Funds	\$ 13,903,581
Proposed Projects	
Eastside Sports Complex	\$ 1,832,992
Quiet Zone	\$ 800,000
Victoria Commons	\$ 3,362,169
Barrio Comprehensive	\$ 1,700,000
Fredrich	\$ 850,000
Fredrich Carver	\$ 1,275,000
Oscar Eason Center	\$ 1,700,000
Merchant's Ice	\$ 340,000
Staybridge	\$ 1,000,000
Total Project Expenses	\$ 12,860,161
Public Improvements	\$ 12,860,161
Administrative Costs	\$ 140,000
Total TIF Expenses	\$ 13,000,161
Total Ending TIF Fund Balance	\$ 903,420

Notes

-The TIRZ fund will only reimburse up to \$1,832,992 for "user fees" for 'the Eastside Sport complex, \$249,148 in Tax Year 2007, \$218,148 in Tax years 2008-2011 and \$237,084 in tax years 2012-2014

-Tax year 2007 reimbursement to Eastside Sport Complex for \$249,148 includes: \$218,148 plus \$31,000 processing fee which is charged to the project

-The TIRZ fund will reimburse the Quiet Zone for 40% of the Quiet Zone's total project cost, not to exceed \$800,000.

Inner City Tax Increment Financing Zone

TIF Revenues Available for Construction

Fiscal Year Ending	TIF Revenue	Cumulative TIF Revenues	Revenue	TIF Admin. Exp.	Public Improvement Construction Funding	Cumulative Construction
15-Sep-00	2000					
15-Sep-01	2001	-	-	-	-	-
15-Sep-02	2002	65,180	65,180	10,000	55,180	55,180
15-Sep-03	2003	100,078	165,258	10,000	90,078	145,258
15-Sep-04	2004	249,076	414,334	10,000	239,076	384,334
15-Sep-05	2005	293,125	707,458	10,000	283,125	667,458
15-Sep-06	2006	530,017	1,237,475	10,000	520,017	1,187,475
15-Sep-07	2007	553,186	1,790,661	10,000	543,186	1,730,661
15-Sep-08	2008	917,841	2,708,502	10,000	907,841	2,638,502
15-Sep-09	2009	1,142,828	3,851,329	10,000	1,132,828	3,771,329
15-Sep-10	2010	1,333,397	5,184,726	10,000	1,323,397	5,094,726
15-Sep-11	2011	1,379,385	6,564,111	10,000	1,369,385	6,464,111
15-Sep-12	2012	1,428,245	7,992,356	10,000	1,418,245	7,882,356
15-Sep-13	2013	1,913,255	9,905,611	10,000	1,903,255	9,785,611
15-Sep-14	2014	1,970,124	11,875,735	10,000	1,960,124	11,745,735
15-Sep-15	2015	2,027,846	13,903,581	10,000	2,017,846	13,763,581
15-Sep-16	2016					
15-Sep-17	2017					
15-Sep-18	2018					
15-Sep-19	2019					
15-Sep-20	2020					
		<u>\$ 13,903,581</u>	<u>\$ 13,903,581</u>	<u>\$ 140,000</u>	<u>\$ 13,763,581</u>	

Inner City Tax Increment Financing Zone Participation Levels

Entity	Tax Rate	Level of Participation	% of Project	TIF Revenues
San Antonio	0.5785400	100%	100.00%	\$ 13,903,581
	0.5785400		100.00%	\$ 13,903,581

**Inner City Tax Increment Financing Zone
Projected Property Improvement Value
(Property Values Added to Tax Roles)**

Fiscal Year	Embassy Suites Hotel	Holiday Inn Express	Best Western Hotel	Ruth's Chris Steakhouse	Enron	Victoria Courts Project	Historic Gardens Phase II	Paragon	McDonald's	Springview Hope I Project	Springview Hope II Project	Springview Hope III Project	New Light Village Homes Phase I
1999													
2000													
2001				721,300	715,300			26,500	70,200				
2002								6,200	310,500				
2003							1,391,775						855,000
2004							507,500			4,200,000	4,800,000		
2005												4,650,000	
2006		1,800,000				4,430,000							
2007	23,000,000	1,800,000				4,430,000							
2008													
2009													
2010						25,800,000							
2011													
2012													
	\$ 23,000,000	\$ 3,600,000	\$ -	\$ 721,300	\$ 715,300	\$ 34,660,000	\$ 1,899,275	\$ 32,700	\$ 380,700	\$ 4,200,000	\$ 4,800,000	\$ 4,650,000	\$ 855,000

Notes:

- Embassy Suites Hotel project is tentatively projected to be added to the tax roles in FY 2007.
- Holiday Inn property value is projected to come online FY 2006 and FY 2007. Developer is securing financing for the project.
- Best Western project is designated as Historic and is 100% non-taxable for the next 4 years. Revenues Division is verifying the 100% non taxable designation with Planning Department/Historic Preservation.
- Ruth Chris Steakhouse 2001 value assessed significantly lower than projected value. Property value for 2002 decreased by \$262,300.
- MCI assess no value increase as a result of improvements in FY 2001. Property value for 2002 decreased by \$218,000.
- Victoria Courts property values are projected to come on the tax roles in FY 2006 and FY 2007.
- Historic Gardens phase II completed 17 homes in FY 2003; 7 homes completed in FY 2004
- Springview Hope Phases I and II property values added on tax roles FY 2004. Phase III in FY 2005. Phase IV is dissolved. The total number homes increased from 154 to 182 homes. Phase I, 56 homes; Phase II, 64 homes and Phase III, 62 homes per SAHA.
- La Quinta Inn/San Antonio Convention Center Inn and Suites project added. Current assessed value is \$6,709,600 (\$6,000,000 land value and \$709,600 improvement value).
- Historic Gardens phase III property values are projected to come on the tax roles in FY 2009.

Fiscal Year	New Light Village Homes Phase 2	New Light Village Homes Phase 3	La Quinta Convention Center Inn	Merchant's Ice	Staybridge	Fredrich Building	Carver	Oscar Eason Center	Convention Center Condominium Project	Historic Gardens Phase III	Annual Total	Fiscal Year
1999											-	1999
2000											-	2000
2001											1,533,300	2001
2002											316,700	2002
2003											2,246,775	2003
2004	3,420,000										12,927,500	2004
2005		1,920,000									6,570,000	2005
2006											6,230,000	2006
2007			25,000,000	4,000,000							58,230,000	2007
2008					18,000,000	8,000,000	1,500,000	5,000,000			32,500,000	2008
2009										3,249,000	3,249,000	2009
2010											25,800,000	2010
2011											-	2011
2012									77,191,100		77,191,100	2012
	\$ 3,420,000	\$ 1,920,000	\$ 25,000,000	\$ 4,000,000	\$ 18,000,000	\$ 8,000,000	\$ 1,500,000	\$ 5,000,000	\$ 77,191,100	\$ 3,249,000	\$ 226,794,375	

Inner City Tax Increment Financing Zone

Projected Improvements

Tax Year	Scheduled Improvements	Other Improvements	Total New Improvements Base Model
1999			-
2000	-	-	-
2001	1,533,300	-	1,533,300
2002	316,700	-	316,700
2003	2,246,775	-	2,246,775
2004	12,927,500	-	12,927,500
2005	6,570,000	-	6,570,000
2006	6,230,000	-	6,230,000
2007	58,230,000	-	58,230,000
2008	32,500,000	-	32,500,000
2009	3,249,000	-	3,249,000
2010	25,800,000	-	25,800,000
2011	-	-	-
2012	77,191,100	-	77,191,100
	<u>\$ 226,794,375</u>	<u>\$ -</u>	<u>\$ 226,794,375</u>